



SFY 2010

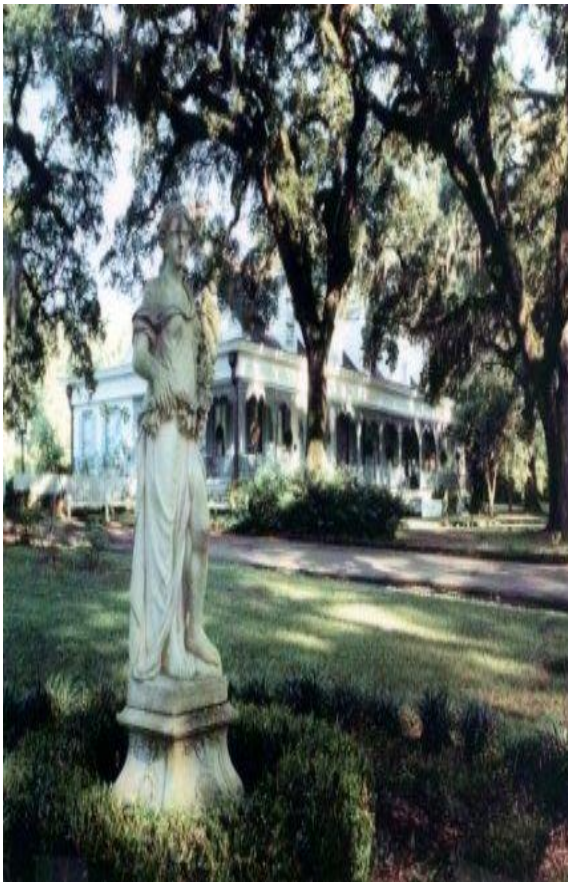
**Capacity
Development
Annual
Report**

Introduction

The 1996 amendments to the Safe Drinking Water Act (SDWA) added a new dimension to federal/state drinking water legislation called Capacity Development. Water system capacity is the ability to plan for, achieve, and maintain compliance with applicable drinking water standards. To achieve this goal, the Capacity Development Program is made up of three components: technical, managerial, and financial.

Louisiana, along with all other states began implementing a Capacity Development Program for new systems in January 1999 and for existing water systems in October 2000. As required by EPA, this report must be submitted to show the progress the Louisiana Department of Health and Hospitals (LDHH) has made toward improving the technical, managerial, and financial capacity of public water systems in the state from July 2009 to July 2010.

Drinking Water Revolving Loan Fund



The Capacity Development Program is a set-aside activity of the Louisiana Department of Health and Hospitals Drinking Water Revolving Loan Fund (DWRLF). The DWRLF is a program dedicated to providing low interest loans to upgrade public water system infrastructure. The program helps water systems with the greatest need based on a priority point system based on many factors. Over the past ten years, the Louisiana DWRLF has loaned over \$191,310,220 to fund sixty six construction projects across the state. In addition to Capacity Development, the DWRLF Program also funds the Operator Certification Program, the Public Water Supply Supervision Program, and the small system technical assistance program.

New Systems

All new systems are required to submit engineering plans to the LDHH in order to obtain the permit necessary to construct proposed new water systems. Those plans are reviewed by an engineer in the Drinking Water Revolving Loan Fund program. The Capacity Development Coordinator is notified upon receipt of the engineering plans and forwards a copy of our Business Plan for new systems to the appropriate parties for completion. This business plan is designed to secure information from the applicant relative to technical, managerial and financial capacity. The technical questionnaire is reviewed by a member of the DWRLF engineering staff and the managerial and financial portions of the plan are reviewed by the Capacity Coordinator for the purposes of evaluation of the new system's capacity. Upon completion of all reviews, the responsible DWRLF staff members collaborate on the results of their individual reviews. Only when the proposed new system has satisfied capacity in all three areas of review, will the Capacity Coordinator provide the system with a permit letter allowing the new system to commence construction. In addition, all decision-making positions (i.e., board members, managers etc.) within the proposed new system are notified to attend the LDHH approved management training program offered at locations throughout the state at various times per year. Upon completion of construction, LDHH

regional staff will work with the system to secure any samples required prior to allowing the system to begin operation and serve its customers. LDHH also secures a certification of significant completion from the engineer overseeing the design and construction of the system verifying that there were no significant deviations between actual construction and the plans as submitted.



During this reporting period, three new systems applied for permits to operate and construct. Of these, one was issued a permit and two are still in the process of satisfying the requirements of the capacity development program.

Existing Systems

The Louisiana Capacity Development Program is selecting twenty existing systems per quarter from violations data to undergo Capacity Assessment. Once selected, a system undergoes a sanitary survey and is required to complete a business plan. The management training data base is reviewed to insure that all decision makers affiliated with a selected system have undergone training. Those persons not having completed the training are notified to attend a training session within six months of the date of notification. In the past fiscal year, a total of 147 attendees were added to the management training database. These attendees

where trained by Technical Assistance Providers approved by the state.

Another part of the Capacity Assessment process, involves insuring the system is being operated by a certified operator. In this vain, LDHH conducted ten open operator training sessions during the fiscal year and tested applicants for certification at five different testing times and locations. In addition, the state is contracted with the Louisiana Rural Water Association and there were fifty closed operator training sessions conducted during the past fiscal year, as well as four Very Small Water System Training sessions.

Loan Systems

Any public water requesting financing thru the Louisiana Drinking Water Revolving Loan Fund Program is required to submit a business plan to the Capacity Development Program to ensure the proposed project has the technical, managerial, and financial capacity to improve the public water supply for the citizens of Louisiana.

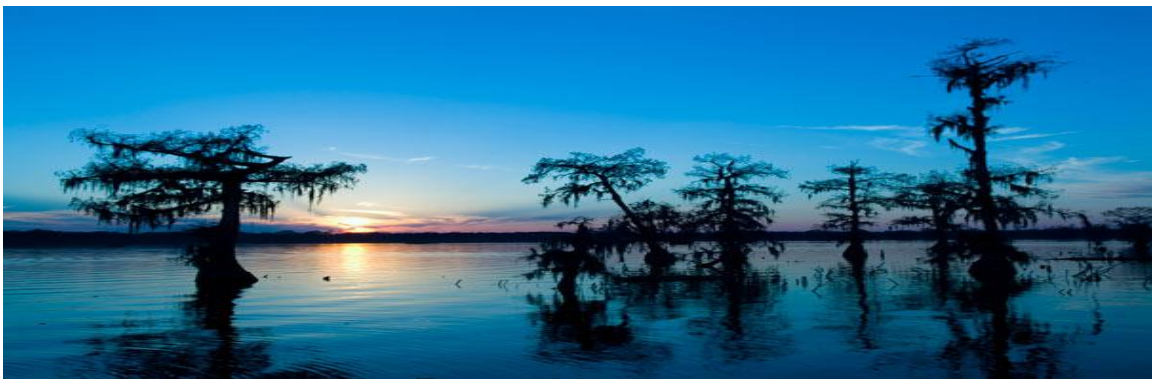
During this reporting period, 13 systems submitted business plans and were approved by the Capacity Development staff. These systems include:

City of Alexandria
Ascension Consolidated Water
City of Baker
Bayou Des Cannes Water
Buckeye Water System
Town of Delhi
East Allen Water System
Town of Mansfield
New Orleans Sewerage & Water Board
Town of Pollock
City of Ruston
Southwest Allen Parish
Town of Walker

Challenges to Implementing Louisiana's Capacity Development Strategy's



The main problem facing the Capacity Development Program in Louisiana is the issue of consolidation. Due to the over construction of many water systems throughout the state, local communities are unable to financially and technically support these water systems. Also, many of the systems that have been placed on the non-compliance list are small rural systems located in poor communities. With the help of the Louisiana Capacity Development Program, these small systems have tried to eliminate the problems they have encountered but are unable to meet the financial burden placed upon them by new EPA regulations. To ensure safe and affordable drinking water for the citizens of Louisiana, the LDHH will continue to encourage the merging of these systems to share cost and insure compliance with the Safe Drinking Water Act.



Status of Louisiana's Capacity Development Strategy

The Louisiana Capacity Development Program has enhanced the existing system capacity selection process via our Simplified Business plan, which solicits information relative to the technical, managerial, and financial capacity of the systems selected. In addition, the business plans and assessments are now being delivered to selected systems by DWRLF engineers and sanitarians that are trained to assist these systems in completion of the requested information. LDHH is also utilizing its quarterly publication, The Water Funnel, to inform the target population of the benefits of going through the Capacity Development program. These approaches seem to be working, because it has become commonplace for water systems to request a Capacity Development Review. The Capacity Development

Program thru its management training program presents all new regulations and their interpretation to systems throughout the state. The LDHH measures the effectiveness of its Capacity Development Program by monitoring the number and nature of violations being detected on systems that have undergone capacity review. In addition, we expect to see some reduction in violations due to the increased promulgation of information on new regulations due to the operation of this program. In the future, the Louisiana Capacity Development Program will continue to build partnerships between the state and local water systems through the three components of technical, managerial, and financial capacity to ensure safe drinking water for every citizen of the state of Louisiana.

